GOVERNMENT OF INDIA
RAILWAYS
LOK SABHA

UNSTARRED QUESTION NO:1785
ANSWERED ON:08.03.2001
HIKE IN GOODS AND PASSENGER FARES
CHANDRESH PATEL KORDIA;SUBODH ROY

Will the Minister of RAILWAYS be pleased to state:

(a) the details of increase in passenger fares and freight charges on various classes of passenger trains and goods trains since April 1, 1998;

(b) the total amount earned by the Government by this hike;

(c) the reasons for increasing the fare; and

(d) the total subsidy/loss on account of freight equalisation incurred so far by the Railways?

Answer

MINISTER OF STATE IN THE MINISTRY OF RAILWAYS (SHRI DIGVIJAY SINGH)

(a) to (d) A statement is attached.

STATEMENTREFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO.1785 BY SH CHANDRESH PATEL AND SHRI SUBODH RAY TO BE ANSWERED ON 8.3.2001 REGARDING HIKE IN GOODS PASSENGER FARES.

(a) Changes made in Passenger fares since June 20th 1998 onwards.

Date of effect

20.6.1998 i) The fares for Second Class (Ordy) were revised as under:-

Distance Slab	Increase
1 - 50 km	Re.1
51 - 100 "	Rs.2
101 - 300 "	Rs.3
301 & above	Rs.5

ii) The fares of Sleeper Class (Ordy) and First Class (Ordy) were increased as under:-

Distance Slab	Increase
1 - 750 km	Rs.5
751 - 1500 "	Rs.10
1501 & above	Rs.20

iii) The fares for the following class were increased as under:

Km Class	1-500 (Rs.)	501-1000 (Rs.)	1001-1600 (Rs)	1601-2500 (Rs)	2501 & above (Rs)

Second Class	5	8	12	18	25
(M/Exp)	10	15	25	35	45
Sleeper	20	30	40	50	60
Class(M/Exp)	20	30	40	50	60
First Class	40	60	80	100	120
(M/Exp)	60	90	120	150	180
AC Chair Car	180	270	360	450	540
AC -3 Tier					
AC -2 Tier					
AC First Class					

iv) The fares of Rajdhani/Shatabdi express trains were increased by 20 percent for all distances.

v) The fares of Second class MST were increased as under:

Distance Slab	Increase per MST
1 - 50 km	Rs.5
51 - 100 "	Rs.10
101 & above	Rs.15

The fares of First class MST was fixed at four times of the fares of the Second class MST. The quarterly Season ticket was fixed at 2.7 times of the fares of MST.

vi) The fares of Metro Railway Calcutta were fixed as under:

Distance	Fare (Rs)
1 - 5 km	3
6 - 10 "	5
11 kms & above	7

vii) In Mass Rapid Transit System (MRTS), Chennai, the existing surcharge of 50 paise per passenger in 2nd class was revised to Rupee 1. In First class the surcharge was fixed at Rs.2 per passenger.

viii) Platform ticket was increased from Rs.2 to Rs.3 per person.

1999-2000 1. Fares were rationalised on the basis of new relativity as under:-

1.4.1999 Ordinary Service	Index of fare
Second Class	100
Sleeper Class	155
First Class	525

Mail/Express Services	Relativity

Second Class	100
Sleeper Class	155
AC Chair Car	300
AC 3-Tier Sleeper	450
First Class	525
AC 2-Tier Sleeper	720
AC First Class	1440

1. The all inclusive fares of Rajdhani/Shatabdi Express trains were fixed on the basis of revised fare structure.

2. No increase was made in the fares of Second Class Ordinary, Second Class Mail/Express and Season Tickets(both Second and First Class) - no increase in the fares of Metro Railway, Kolkatta and MRTS, Chennai.

2000-2001 No increase in passenger fares

1.4.2000 Changes made in Freight Traffic since June 20th 1998

1998-99 No general increase was announced in the freight rates. The freight rates 20.6.98 for
(i) Coal
(ii) Cement
(iii) Iron or Steel were adjusted marginally through modification of taper.

The classifications were upgraded by one step in respect of
(i) Iron Ore,
(ii) Ores Common NOC (Baryte and Alunite),
(iii) Manganese Ore (Fines & Powder),
(iv) Caustic Soda,
(v) Timber NOC,
(vi) Rubber Crude and
(vii) Soda Ash.

The classifications were downgraded by one step in respect of
(i) Gypsum (Lumps)
(ii) Gypsum (Powder)
(iii) Lime Stone & Dolomite.

1999-2000 The Freight rates of all commodities were raised by 4%(four percent) at 1.4.1999 all distances.

The classifications of Washed Coal from (135A to 140 T/L) & (135B to 145 W/L) and Caustic Soda, liquor from (130 to 135 T/L) & (135 to 140 W/L) were raised by one step. However, the classification of Washed Coal was reversed to 135A (T/L) & 135B (W/L) w.e.f.1.12.1999.

A concession of 25 percent in freight rates of all

commodities were given for freight traffic hauled for distance of 50 km and less. There was no change in the minimum distance for charge.

2000-2001 In the Railway Budget proposals implemented w.e.f.1.4.2000, the freight 1.4.2000 rates of Grains & Pulses (classified under 95M Trainload and 100M Wagonload), Kerosene, LPG, Sugar, Edible Salt (Salt NOC), Edible Oils (Oil Div.E), Fruits & Vegetables and Urea were not increased. The freight rates of all other commodities were increased by 5 (Five) percent at all distances, subject to revision of classification of certain commodities as under:-

Commodities	Trainload		Wagonload	
	From	to	From to	
Chemical Manure Div.'A'	105	115	110	125
Div.'B'	85	100	95	110
Div.'C'	85B	85	90A	90
Livestock	-	-	180	220
Oil Seeds	-	-	100	130

The classification of the following commodities were downgraded as under:-

Commodities	Trainload		Wagonload	
	From	to	From to	
Coal@	135A	130A#	135B	130B
Cement	150A	145A#	150B	145B
Iron Ore	125	120	130	125
Limestone & Dolomite	125	120	130	125
Petroleum & other hydro	280	270#	300	300
Iron & Steel	210A	200A	210B	200B
Carbon oils (dangerous And non-dangerous)	300	290#	300X	300X

Note:- # - New Class
@ = Coal for household consumption will continue to be charged at existing class rate.

(b) The Passenger and Freight earnings are as under:-

Passenger Traffic

Number of Passengers (in millions)			Passenger Earnings (Rs.Crs)		
1998-99	1999-00	%increase	1998-99	1999-00	%increase
4411	4585	3.9	8527	9556	12

Freight Traffic

Tonnes Originating(in millions)			Freight Earnings(Rs.Crs.)		
1998-99	1999-00	%increase	1998-99	1999-00	%increase
421	456	8.3	19676	21755	10.6

The additional earnings from both passenger and freight services has come from the growth of traffic as well as hike in fares and freight rates.

(C) The reasons for increasing the fares are to cover the increases in cost of inputs and also to reduce the element of cross-subsidisation.

(d) Railway's losses are as under:- (Rs.in Crs.)

Year	Loss on Coaching services carried below cost	Loss on essential commodities	Total	%age inc.
1998-99	4165	110	4275	-
1999-00	4583	156	4739	10.9%

Railways make good these losses by charging certain commodities and class of passengers at a rate higher than the average cost, approximately up to the extent the traffic can bear.

Although railways follow the policy of cross subsidization, railways do not pursue any policy of freight equalisation.